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**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

ELAINE WANG,

Plaintiff,

v.

SLACK TECHNOLOGIES, INC., ANDREW
BRACCIA, STEWART BUTTERFIELD,
EDITH COOPER, SARAH FRIAR, SHEILA
JORDAN, MIKE MCNAMARA, JOHN
O'FARRELL, and GRAHAM SMITH,

Defendants.

) Case No.

) **COMPLAINT FOR VIOLATIONS OF**
) **SECTIONS 14(a) AND 20(a) OF THE**
) **SECURITIES EXCHANGE ACT OF**
) **1934**

) **DEMAND FOR JURY TRIAL**

1 Plaintiff Elaine Wang (“Plaintiff”), by her attorneys, makes the following allegations
 2 against Slack Technologies, Inc. (“Slack” or the “Company”) and the members of the board of
 3 directors of Slack (the “Board” or “Individual Defendants,” along with Slack, collectively referred
 4 to as the “Defendants”), for their violations of Sections 14(a) and 20(a) of the Securities
 5 Exchange Act of 1934 (the “Exchange Act”), 15 U.S.C. §§ 78n(a), 78t(a), SEC Rule 14a-9, 17
 6 C.F.R. 240.14a-9, and Regulation G, 17 C.F.R. § 244.100 in connection with the proposed
 7 acquisition (the “Proposed Transaction”) of Slack by affiliates of salesforce.com, inc.
 8 (“Salesforce”). The allegations in this complaint are based on the personal knowledge of Plaintiff
 9 as to herself and on information and belief (including the investigation of counsel and review of
 10 publicly available information) as to all other matters stated herein.

11 **INTRODUCTION**

12 1. This is an action brought by Plaintiff to enjoin a transaction whereby Skyline
 13 Strategies I Inc., a Delaware corporation and direct wholly owned subsidiary of Salesforce
 14 (“Merger Sub I”) will merge with and into Slack, with Slack continuing as the surviving
 15 corporation as a direct wholly owned subsidiary of Salesforce, immediately followed by a second
 16 merger of the surviving corporation into either Skyline Strategies II LLC (“Merger Sub II”) or
 17 Salesforce, with either Merger Sub II or Salesforce continuing as the surviving company
 18 (“Proposed Transaction”). Pursuant to the Merger Agreement, Slack shareholders will receive
 19 \$26.79 in cash and 0.0776 shares of Salesforce common stock for each share of Slack common
 20 stock owned (the “Merger Consideration”). The Board has unanimously recommended to the
 21 Company’s stockholders that they vote for the Proposed Transaction at the special meeting of the
 22 Slack shareholders.

23 2. To convince Slack stockholders to vote in favor of the Proposed Transaction, on
 24 December 23, 2020, the Board authorized the filing of a materially incomplete and misleading
 25 Registration Statement on Form S-4 (the “Registration Statement”) with the Securities and
 26 Exchange Commission (“SEC”). The Registration Statement violates Sections 14(a) and 20(a) of
 27 the Exchange Act by noncompliance with Regulation G and SEC Rule 14a-9 (17 C.F.R. §
 28 244.100 and 17 C.F.R. § 240.14a-9, respectively).

each defendant is either a corporation that does sufficient business in California or an individual who has sufficient minimum contacts with California to render the exercise of jurisdiction by the California courts permissible under traditional notions of fair play and substantial justice.

9. Venue is proper in this District under Section 27 of the Exchange Act, 15 U.S.C. § 78aa, as well as under 28 U.S.C. § 1391, because Slack is headquartered in this District.

PARTIES

10. Plaintiff has owned the common stock of Slack since prior to the announcement of the Proposed Transaction herein complained of and continues to own this stock.

11. Slack is a corporation duly organized and existing under the laws of Delaware and maintains its principal offices at 500 Howard Street, San Francisco, California 94105. Slack is, and at all relevant times hereto was, listed and traded on the New York Stock Exchange under the symbol "WORK."

12. Defendant Andrew Braccia has been a member of the Board since March 2010.

13. Defendant Stewart Butterfield has been a member of the Board since February 2009 and is also a Co-Founder, Chairperson, and Chief Executive Officer of the Company.

14. Defendant Edith Cooper has been a member of the Board since January 2018.

15. Defendant Sarah Friar has been a member of the Board since March 2017.

16. Defendant Sheila Jordan has been a member of the Board since September 2019.

17. Defendant Mike McNamara has been a member of the Board since December 2019.

18. Defendant John O'Farrell has been a member of the Board since April 2011.

19. Defendant Graham Smith has been a member of the Board since December 2018.

20. The Defendants referred to in paragraphs 12-19 are collectively referred to herein as the "Individual Defendants" and/or the "Board."

21. The Defendants referred to in paragraphs 11-19 are collectively referred to herein as the "Defendants."

SUBSTANTIVE ALLEGATIONS

The Proposed Transaction

22. On December 1, 2020, Slack and Salesforce jointly announced that it had entered

1 into the Agreement and Plan of Merger (the “Merger Agreement”):

2
3 SAN FRANCISCO--(BUSINESS WIRE)-- Salesforce (NYSE: CRM), the global
4 leader in CRM, and Slack Technologies, Inc. (NYSE: WORK), the most
5 innovative enterprise communications platform, have entered into a definitive
6 agreement under which Salesforce will acquire Slack. Under the terms of the
7 agreement, Slack shareholders will receive \$26.79 in cash and 0.0776 shares of
8 Salesforce common stock for each Slack share, representing an enterprise value of
9 approximately \$27.7 billion based on the closing price of Salesforce’s common
10 stock on November 30, 2020.

11
12 Combining Slack with Salesforce Customer 360 will be transformative for
13 customers and the industry. The combination will create the operating system for
14 the new way to work, uniquely enabling companies to grow and succeed in the
15 all-digital world.

16
17 “Stewart and his team have built one of the most beloved platforms in enterprise
18 software history, with an incredible ecosystem around it,” said Marc Benioff,
19 Chair and CEO, Salesforce. “This is a match made in heaven. Together,
20 Salesforce and Slack will shape the future of enterprise software and transform
21 the way everyone works in the all-digital, work-from-anywhere world. I’m
22 thrilled to welcome Slack to the Salesforce Ohana once the transaction closes.”

23
24 “Salesforce started the cloud revolution, and two decades later, we are still
25 tapping into all the possibilities it offers to transform the way we work. The
26 opportunity we see together is massive,” said Stewart Butterfield, Slack CEO and
27 Co-Founder. “As software plays a more and more critical role in the performance
28 of every organization, we share a vision of reduced complexity, increased power
and flexibility, and ultimately a greater degree of alignment and organizational
agility. Personally, I believe this is the most strategic combination in the history
of software, and I can’t wait to get going.”

29 **Acquisition to Create the Operating System for the New Way to Work**

30 The events of this year have greatly accelerated the move by companies and
31 governments to an all-digital world, where work happens wherever people are—
32 whether they’re in the office, at home or somewhere in between. They need to
33 deliver connected experiences for their customers across every touchpoint and
34 enable their employees to work seamlessly wherever they are.

35 Together, Salesforce and Slack will give companies a single source of truth for
36 their business and a unified platform for connecting employees, customers and
37 partners with each other and the apps they use every day, all within their existing
38 workflows.

Slack to Become the New Interface for Salesforce Customer 360

Salesforce is the #1 CRM that enables companies to sell, service, market and conduct commerce, from anywhere. Slack brings people, data and tools together so teams can collaborate and get work done, from anywhere. Slack Connect extends the benefits of Slack to enable communication and collaboration between a company's employees and all its external partners, from vendors to customers.

Slack will be deeply integrated into every Salesforce Cloud. As the new interface for Salesforce Customer 360, Slack will transform how people communicate, collaborate and take action on customer information across Salesforce as well as information from all of their other business apps and systems to be more productive, make smarter, faster decisions and create connected customer experiences.

Slack To Expand Enterprise Footprint as Part of the World's #1 CRM

Slack serves leading organizations in every industry around the world, from the fastest growing startups to Fortune 500 companies, such as Starbucks, Target and TD Ameritrade, along with leading academic institutions, non-profits, and governments in more than 150 countries.

As part of the world's #1 CRM, Slack will be able to expand its presence in the enterprise, not just among Salesforce customers, but for any company undergoing digital transformation. Upon the close of the transaction, Slack will become an operating unit of Salesforce and will continue to be led by CEO Stewart Butterfield.

Combination to Form the Largest Open Ecosystem of Apps and Workflows for Business

Connecting people and data across systems, apps and devices is one of the biggest challenges companies face in today's all-digital world.

Slack's open platform seamlessly integrates with more than 2,400 apps that people use to collaborate, communicate and get work done. With the largest enterprise app ecosystem, the Salesforce platform is the easiest way to build and deliver apps to connect with customers in a whole new way.

Together, Salesforce and Slack will create the most extensive open ecosystem of apps and workflows for business and empower millions of developers to build the next generation of apps, with clicks not code.

Details on the Proposed Transaction

The board of directors of each of Salesforce and Slack have approved the transaction and the Slack board recommends that Slack stockholders approve the transaction and adopt the merger agreement. The transaction is anticipated to

1 close in the second quarter of Salesforce's fiscal year 2022, subject to approval by
2 the Slack stockholders, the receipt of required regulatory approvals and other
3 customary closing conditions.

4 Salesforce has also entered into a voting agreement with certain stockholders of
5 Slack common stock, under which each such stockholder has agreed to vote all of
6 their Slack shares in favor of the transaction at the special meeting of Slack
7 stockholders to be held in connection with the transaction, subject to certain terms
8 and conditions. The Slack shares subject to the agreement represent
9 approximately 55% of the current outstanding voting power of the Slack common
10 stock.

11 Salesforce expects to fund the cash portion of the transaction consideration with a
12 combination of new debt and cash on Salesforce's balance sheet. Salesforce has
13 obtained a commitment from Citigroup Global Markets Inc., Bank of America,
14 N.A. and JPMorgan Chase Bank, N.A. for a \$10.0 billion senior unsecured 364-
15 day bridge loan facility, subject to customary conditions.

12 **About Salesforce**

13 Salesforce, the global CRM leader, empowers companies of every size and
14 industry to digitally transform and create a 360° view of their customers. For
15 more information about Salesforce (NYSE: CRM), visit: www.salesforce.com.

16 Any unreleased services or features referenced in this or other press releases or
17 public statements are not currently available and may not be delivered on time or
18 at all. Customers who purchase Salesforce applications should make their
19 purchase decisions based upon features that are currently available. Salesforce has
20 headquarters in San Francisco, with offices in Europe and Asia, and trades on the
21 New York Stock Exchange under the ticker symbol "CRM." For more
22 information please visit <https://www.salesforce.com>, or call 1-800-NO-
23 SOFTWARE.

21 **About Slack**

22 Slack has transformed business communication. It's the leading channel-based
23 messaging platform, used by millions to align their teams, unify their systems,
24 and drive their businesses forward. Only Slack offers a secure, enterprise-grade
25 environment that can scale with the largest companies in the world. It is a new
26 layer of the business technology stack where people can work together more
27 effectively, connect all their other software tools and services, and find the
28 information they need to do their best work. Slack is where work happens.

Slack and the Slack logo are trademarks of Slack Technologies, Inc. or its
subsidiaries in the U.S. and/or other countries. Other names and brands may be
claimed as the property of others.

Advisors

BofA Securities, Inc. is serving as exclusive financial advisor to Salesforce and Wachtell, Lipton, Rosen & Katz and Morrison & Foerster LLP are serving as legal counsel to Salesforce. Qatalyst Partners LP and Goldman Sachs & Co LLC are serving as financial advisors to Slack. Latham & Watkins LLP and Goodwin Procter LLP are serving as legal counsel to Slack.

The Materially Misleading and Incomplete Solicitation Statement

23. On December 23, 2020, Defendants caused the Registration Statement to be filed with the SEC in connection with the Proposed Transaction. The Registration Statement solicits the Company's shareholders to vote in favor of the Proposed Transaction. Defendants were obligated to carefully review the Registration Statement before it was filed with the SEC and disseminated to the Company's shareholders to ensure that it did not contain any material misrepresentations or omissions. However, the Registration Statement misrepresents and/or omits material information that is necessary for the Company's shareholders to make an informed decision concerning whether to vote in favor of the Proposed Transaction, in violation of Sections 14(a) and 20(a) of the Exchange Act.

Financial Forecasts

24. The Registration Statement discloses tables for forecasts for Slack (the "Projections"). However, the Registration Statement fails to provide material information concerning these Projections, which were developed by the Company's management and relied upon by the Board in recommending that the shareholders vote in favor of the Proposed Transaction. These financial forecasts were also relied upon by the Company's financial advisors, Qatalyst and Goldman Sachs, in rendering their fairness opinions.

25. With respect to Slack's Initial Three-Year Plan, the Registration Statement fails to disclose: (i) the value of certain line items used to calculate (a) Non-GAAP Gross Profit, and (b) Non-GAAP Operating Income (Loss); and (ii) a reconciliation to its most comparable GAAP measures, in direct violation of Regulation G and, consequently, Section 14(a).

26. With respect to Slack's Updated Three-Year Plan and Related Extrapolations, the Registration Statement fails to disclose: (i) the value of certain line items used to calculate (a)

1 Non-GAAP Gross Profit, (b) Non-GAAP Operating Income (Loss), (c) Unlevered Free Cash
2 Flow, and (d) Unlevered Free Cash Flow Less Stock-Based Compensation; (ii) a reconciliation to
3 its most comparable GAAP measures, in direct violation of Regulation G and, consequently,
4 Section 14(a); and (iii) stock-based compensation.

5 27. The SEC has indicated that if the most directly comparable GAAP measure is not
6 accessible on a forward-looking basis, the company must disclose that fact, provide any
7 reconciling information that is available without unreasonable effort, identify any unavailable
8 information and disclose the probable significance of that information. A company is permitted to
9 provide the projected non-GAAP measure, omit the quantitative reconciliation and qualitatively
10 explain the types of gains, losses, revenues or expenses that would need to be added to or
11 subtracted from the non-GAAP measure to arrive at the most directly comparable GAAP
12 measure, without attempting to quantify all those items.

13 28. When a company discloses non-GAAP financial measures in a registration
14 statement that were relied on by a board of directors to recommend that shareholders exercise
15 their corporate suffrage rights in a particular manner, the company must, pursuant to SEC
16 regulatory mandates, also disclose all forecasts and information necessary to make the non-GAAP
17 measures not misleading, and must provide a reconciliation (by schedule or other clearly
18 understandable method) of the differences between the non-GAAP financial measure disclosed or
19 released with the most comparable financial measure or measures calculated and presented in
20 accordance with GAAP. 17 C.F.R. § 244.100.

21 29. Indeed, the SEC has increased its scrutiny of the use of non-GAAP financial
22 measures in communications with shareholders. Former SEC Chairwoman Mary Jo White has
23 stated that the frequent use by publicly traded companies of unique company-specific, non-GAAP
24 financial measures (as Slack included in the Registration Statement here), implicates the
25 centerpiece of the SEC's disclosures regime:

26 In too many cases, the non-GAAP information, which is meant to supplement the
27 GAAP information, has become the key message to investors, crowding out and
28 effectively supplanting the GAAP presentation. Jim Schnurr, our Chief
Accountant, Mark Kronforst, our Chief Accountant in the Division of Corporation

Finance and I, along with other members of the staff, have spoken out frequently about our concerns to raise the awareness of boards, management and investors. And last month, the staff issued guidance addressing a number of troublesome practices *which can make non-GAAP disclosures misleading*: the lack of equal or greater prominence for GAAP measures; exclusion of normal, recurring cash operating expenses; individually tailored non-GAAP revenues; lack of consistency; cherry-picking; and the use of cash per share data. I strongly urge companies to carefully consider this guidance and revisit their approach to non-GAAP disclosures. I also urge again, as I did last December, that appropriate controls be considered and that audit committees carefully oversee their company's use of non-GAAP measures and disclosures.¹

30. The SEC has repeatedly emphasized that disclosure of non-GAAP forecasts can be inherently misleading and has therefore heightened its scrutiny of the use of such forecasts.² Indeed, the SEC's Division of Corporation Finance released a new and updated Compliance and Disclosure Interpretation ("C&DI") on the use of non-GAAP financial measures to clarify the extremely narrow and limited circumstances, known as the business combination exemption, where Regulation G would not apply.³

31. More importantly, the C&DI clarifies when the business combination exemption does not apply:

There is an exemption from Regulation G and Item 10(e) of Regulation S-K for non-GAAP financial measures disclosed in communications subject to Securities Act Rule 425 and Exchange Act Rules 14a-12 and 14d-2(b)(2); it is also intended to apply to communications subject to Exchange Act Rule 14d-9(a)(2). This exemption does not extend beyond such communications. Consequently, if the

¹ Mary Jo White, *Keynote Address, International Corporate Governance Network Annual Conference: Focusing the Lens of Disclosure to Set the Path Forward on Board Diversity, Non-GAAP, and Sustainability* (June 27, 2016), <https://www.sec.gov/news/speech/chair-white-icgn-speech.html> (last visited Aug. 18, 2020) (emphasis added).

² See, e.g., Nicolas Grabar and Sandra Flow, *Non-GAAP Financial Measures: The SEC's Evolving Views*, HARVARD LAW SCHOOL FORUM ON CORPORATE GOVERNANCE (June 24, 2016), <https://corpgov.law.harvard.edu/2016/06/24/non-gaap-financial-measures-the-secs-evolving-views/> (last visited Mar. 7, 2019); Gretchen Morgenson, *Fantasy Math Is Helping Companies Spin Losses Into Profits*, N.Y. TIMES, Apr. 22, 2016, http://www.nytimes.com/2016/04/24/business/fantasy-math-is-helping-companies-spin-losses-into-profits.html?_r=0 (last visited Aug. 18, 2020).

³ *Non-GAAP Financial Measures*, U.S. SECURITIES AND EXCHANGE COMMISSION (Apr. 4, 2018), <https://www.sec.gov/divisions/corpfin/guidance/nongaapinterp.htm#101> (last visited Aug. 18, 2020). To be sure, there are other situations where Regulation G would not apply but are not applicable here.

1 same non-GAAP financial measure that was included in a communication filed
 2 under one of those rules is also disclosed in a Securities Act registration
 3 statement, proxy statement, or tender offer statement, this exemption from
 Regulation G and Item 10(e) of Regulation S-K would not be available for that
 non-GAAP financial measure.

4 *Id.*

5 32. Thus, the C&DI makes clear that the so-called “business combination” exemption
 6 from the Regulation G non-GAAP to GAAP reconciliation requirement applies solely to the
 7 extent that a third-party, such as a financial advisor, has utilized projected non-GAAP financial
 8 measures to render a report or opinion to the Board. To the extent the Board also examined and
 9 relied on internal financial forecasts to recommend a transaction, Regulation G applies.

10 33. Thus, to bring the Registration Statement into compliance with Regulation G as
 11 well as cure the materially misleading nature of the forecasts under SEC Rule 14a-9 as a result of
 12 the omitted information, Defendants must provide a reconciliation table of the non-GAAP
 13 measures to the most comparable GAAP measures.

14 34. In addition, the Registration Statement completely fails to disclose prospective
 15 financial information for Salesforce. This information is material since Slack’s shareholders will
 16 own a part of the post-transaction entity.

17 ***Financial Analyses***

18 35. With respect to Qatalyst’s *Illustrative Discounted Cash Flow Analysis*, the
 19 Registration Statement fails to disclose: (i) all line items used to calculate unlevered free cash
 20 flows; (ii) the underlying inputs used to derive the discount rate of 8.25% to 9.75%; (iii) the
 21 terminal values for Slack; (iv) the basis for applying a range of fully diluted enterprise value to
 22 next-12-month’s estimated UFCF multiples 30.0x to 45.0x; (v) the cash and cash equivalents of
 23 Slack as of October 31, 2020; (vi) the number of fully diluted outstanding shares of Slack
 24 common stock; (vii) the face value of Slack’s outstanding convertible debt as of October 31,
 25 2020; and (viii) the value of Slack’s non-controlling interest as of October 31, 2020.

26 36. With respect to Goldman Sachs’ *Implied Premia and Multiples Analysis*, the
 27 Registration Statement fails to disclose: (i) the total number of fully diluted shares of Slack
 28 common stock outstanding; and (ii) Slack’s net debt.

37. With respect to Goldman Sachs' *Illustrative Discounted Cash Flow Analysis*, the Registration Statement fails to disclose: (i) all line items used to calculate unlevered free cash flow less stock-based compensation; (ii) the underlying inputs used to derive the discount rate of 6.5% to 9.5%; (iii) the terminal values for Slack; (iv) the basis for applying an illustrative range of terminal year multiples of 25.0x to 35.0x to an assumed terminal year NTM unlevered free cash flow and the basis for applying perpetuity growth rates ranging from 2.3% to 6.3% (v) the number of fully diluted outstanding shares of Slack common stock; (vi) the net debt of Slack; and (vii) the net present value of the net operating losses and the basis for using an illustrative discount rate of 8.0%.

38. With respect to Goldman Sachs' *Illustrative Present Value of Future Share Price Analysis*, the Registration Statement fails to disclose: (i) Goldman's basis for applying enterprise value to NTM revenue multiples of 16.0x to 20.0x to NTM revenue estimates for Slack for each of the fiscal years 2022 to 2024; and (ii) the inputs underlying the discount rate of 8.0%.

39. With respect to Goldman Sachs' *Premia Analysis*, the Registration Statement fails to disclose the premia and transactions observed by Goldman Sachs in the analysis.

40. With respect to Goldman Sachs' *Selected Companies Analysis*, the Registration Statement fails to disclose the individual multiples and metrics for the companies observed by Goldman Sachs in the analysis.

41. In sum, the Registration Statement independently violates both: (i) Regulation G, which requires a presentation and reconciliation of any non-GAAP financial measure to their most directly comparable GAAP equivalent; and (ii) Rule 14a-9, since the material omitted information renders certain statements, discussed above, materially incomplete and misleading. As the Registration Statement independently contravenes the SEC rules and regulations, Defendants violated Section 14(a) and Section 20(a) of the Exchange Act by filing the Registration Statement to garner votes in support of the Proposed Transaction from Slack shareholders.

42. Absent disclosure of the foregoing material information prior to the special shareholder meeting to vote on the Proposed Transaction, Plaintiff will not be able to make a fully

1 informed decision regarding whether to vote in favor of the Proposed Transaction, and she is thus
2 threatened with irreparable harm, warranting the injunctive relief sought herein.

3
4 **FIRST CAUSE OF ACTION**

5 **(Against All Defendants for Violations of Section 14(a) of the Exchange Act**
6 **and 17 C.F.R. § 244.100 Promulgated Thereunder)**

7 43. Plaintiff repeats and re-alleges each allegation set forth above as if fully set forth
8 herein.

9 44. Section 14(a)(1) of the Exchange Act makes it “unlawful for any person, by the
10 use of the mails or by any means or instrumentality of interstate commerce or of any facility of a
11 national securities exchange or otherwise, in contravention of such rules and regulations as the
12 Commission may prescribe as necessary or appropriate in the public interest or for the protection
13 of investors, to solicit or to permit the use of his name to solicit any proxy statement or consent or
14 authorization in respect of any security (other than an exempted security) registered pursuant to
15 section 78l of this title.” 15 U.S.C. § 78n(a)(1).

16 45. As set forth above, the Registration Statement omits information required by SEC
17 Regulation G, 17 C.F.R. § 244.100, which independently violates Section 14(a). SEC Regulation
18 G, among other things, requires an issuer that chooses to disclose a non-GAAP measure to
19 provide a presentation of the “most directly comparable” GAAP measure, and a reconciliation “by
20 schedule or other clearly understandable method” of the non-GAAP measure to the “most directly
21 comparable” GAAP measure. 17 C.F.R. § 244.100(a).

22 46. The failure to reconcile the numerous non-GAAP financial measures included in
23 the Registration Statement violates Regulation G and constitutes a violation of Section 14(a).

24 **SECOND CAUSE OF ACTION**

25 **(Against All Defendants for Violations of Section 14(a) of the Exchange Act**
26 **and Rule 14a-9 Promulgated Thereunder)**

27 47. Plaintiff repeats and re-alleges each allegation set forth above as if fully set forth
28 herein.

48. SEC Rule 14a-9 prohibits the solicitation of shareholder votes in registration
statements that contain “any statement which, at the time and in the light of the circumstances

1 under which it is made, is false or misleading with respect to any material fact, or which omits to
2 state any material fact necessary in order to make the statements therein not false or misleading
3” 17 C.F.R. § 240.14a-9.

4 49. Regulation G similarly prohibits the solicitation of shareholder votes by
5 “mak[ing] public a non-GAAP financial measure that, taken together with the information
6 accompanying that measure . . . contains an untrue statement of a material fact or omits to state a
7 material fact necessary in order to make the presentation of the non-GAAP financial measure . . .
8 not misleading.” 17 C.F.R. § 244.100(b).

9 50. Defendants have issued the Registration Statement with the intention of soliciting
10 shareholder support for the Proposed Transaction. Each of the Defendants reviewed and
11 authorized the dissemination of the Registration Statement, which fails to provide critical
12 information regarding, amongst other things, the financial forecasts for the Company.

13 51. In so doing, Defendants made untrue statements of fact and/or omitted material
14 facts necessary to make the statements made not misleading. Each of the Individual Defendants,
15 by virtue of their roles as officers and/or directors, were aware of the omitted information but
16 failed to disclose such information, in violation of Section 14(a). The Individual Defendants were
17 therefore negligent, as they had reasonable grounds to believe material facts existed that were
18 misstated or omitted from the Registration Statement, but nonetheless failed to obtain and
19 disclose such information to shareholders although they could have done so without extraordinary
20 effort.

21 52. The Individual Defendants knew or were negligent in not knowing that the
22 Registration Statement is materially misleading and omits material facts that are necessary to
23 render it not misleading. The Individual Defendants undoubtedly reviewed and relied upon the
24 omitted information identified above in connection with their decision to approve and recommend
25 the Proposed Transaction.

26 53. The Individual Defendants knew or were negligent in not knowing that the
27 material information identified above has been omitted from the Registration Statement,
28 rendering the sections of the Registration Statement identified above to be materially incomplete

1 and misleading.

2 54. The Individual Defendants were, at the very least, negligent in preparing and
3 reviewing the Registration Statement. The preparation of a registration statement by corporate
4 insiders containing materially false or misleading statements or omitting a material fact
5 constitutes negligence. The Individual Defendants were negligent in choosing to omit material
6 information from the Registration Statement or failing to notice the material omissions in the
7 Registration Statement upon reviewing it, which they were required to do carefully as the
8 Company's directors. Indeed, the Individual Defendants were intricately involved in the process
9 leading up to the signing of the Merger Agreement and the preparation of the Company's
10 financial forecasts.

11 55. Slack is also deemed negligent as a result of the Individual Defendants'
12 negligence in preparing and reviewing the Registration Statement.

13 56. The misrepresentations and omissions in the Registration Statement are material
14 to Plaintiff, who will be deprived of her right to cast an informed vote if such misrepresentations
15 and omissions are not corrected prior to the vote on the Proposed Transaction.

16 57. Plaintiff has no adequate remedy at law. Only through the exercise of this Court's
17 equitable powers can Plaintiff be fully protected from the immediate and irreparable injury that
18 Defendants' actions threaten to inflict.

19 **THIRD CAUSE OF ACTION**
20 **(Against the Individual Defendants for**
21 **Violations of Section 20(a) of the Exchange Act)**

22 58. Plaintiff incorporates each and every allegation set forth above as if fully set forth
23 herein.

24 59. The Individual Defendants acted as controlling persons of Slack within the
25 meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their positions as
26 officers and/or directors of Slack, and participation in and/or awareness of the Company's
27 operations and/or intimate knowledge of the incomplete and misleading statements contained in
28 the Registration Statement filed with the SEC, they had the power to influence and control and
did influence and control, directly or indirectly, the decision making of the Company, including

1 the content and dissemination of the various statements that Plaintiff contends are materially
2 incomplete and misleading.

3 60. Each of the Individual Defendants was provided with or had unlimited access to
4 copies of the Registration Statement and other statements alleged by Plaintiff to be misleading
5 prior to and/or shortly after these statements were issued and had the ability to prevent the
6 issuance of the statements or cause the statements to be corrected.

7 61. In particular, each of the Individual Defendants had direct and supervisory
8 involvement in the day-to-day operations of the Company, and, therefore, is presumed to have
9 had the power to control or influence the particular transactions giving rise to the Exchange Act
10 violations alleged herein, and exercised the same. The Registration Statement at issue contains
11 the unanimous recommendation of each of the Individual Defendants to approve the Proposed
12 Transaction. They were thus directly involved in preparing the Registration Statement.

13 62. In addition, as the Registration Statement sets forth at length, and as described
14 herein, the Individual Defendants were involved in negotiating, reviewing, and approving the
15 Merger Agreement. The Registration Statement purports to describe the various issues and
16 information that the Individual Defendants reviewed and considered. The Individual Defendants
17 participated in drafting and/or gave their input on the content of those descriptions.

18 63. By virtue of the foregoing, the Individual Defendants have violated Section 20(a)
19 of the Exchange Act.

20 64. As set forth above, the Individual Defendants had the ability to exercise control
21 over and did control a person or persons who have each violated Section 14(a) and Rule 14a-9 by
22 their acts and omissions as alleged herein. By virtue of their positions as controlling persons,
23 these Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct and
24 proximate result of Individual Defendants' conduct, Plaintiff will be irreparably harmed.

25 65. Plaintiff has no adequate remedy at law. Only through the exercise of this Court's
26 equitable powers can Plaintiff be fully protected from the immediate and irreparable injury that
27 Defendants' actions threaten to inflict.

28

RELIEF REQUESTED

WHEREFORE, Plaintiff demands judgment against Defendants as follows:

A. Preliminarily and permanently enjoining Defendants and their counsel, agents, employees and all persons acting under, in concert with, or for them, from proceeding with, consummating, or closing the Proposed Transaction, unless and until the Company discloses the material information discussed above which has been omitted from the Registration Statement;

B. In the event that the proposed transaction is consummated, rescinding it and setting it aside, or awarding rescissory damages;

C. Awarding compensatory damages against Defendants, individually and severally, in an amount to be determined at trial, together with pre-judgment and post-judgment interest at the maximum rate allowable by law, arising from the Proposed Transaction;

D. Awarding Plaintiff the costs and disbursements of this action and reasonable allowances for fees and expenses of Plaintiff's counsel and experts; and

E. Granting Plaintiff such other and further relief as the Court may deem just and proper.

DEMAND FOR JURY TRIAL

Plaintiff hereby demands a trial by jury.

DATED: December 28, 2020

**WOLF HALDENSTEIN ADLER
FREEMAN & HERZ LLP**

By: /s/ Rachele R. Byrd
RACHELE R. BYRD

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